

AN ANARCHIST ATTACK ON GLOBAL GOVERNANCE

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...In June, 2002, the G8 will retreat to the hills of Kamanskis, Alberta for its annual gathering. Ensclosed in a tiny, well-guarded resort town, the "leaders" of 8 states and their entourages will hide from the protesters who will fill the streets of Calgary and Ottawa and the highways to Kamanskis, from memories of the tear-gas smells of Quebec City and rubber bullets of Seattle, from the lingering blood and death stench of protests in Genoa, Argentina and Papua New Guinea, as far away as possible from the cries of people rising up against the tyranny of global capital and the logic of local and transnational exploitation and pillage in Argentina, Bolivia, Ecuador, Chiapas, the Narmanda Valley, South Africa, Brazil and around the world, sheltered from the unsettlingly hopeful whispers and rustling of people everywhere who have yet to raise their voices and fists against crushing poverty and obliterating racism...

... Millions of dollars will be spent to protect a meeting that, when all is said and done, will amount to a two-day photo op and garden party. Press releases will be sent out at timely intervals, announcing commitments made and consensus achieved with regard to the three stated Summit priorities: fighting terrorism, strengthening global economic growth and building a new partnership with Africa. All three priorities will be addressed in terms of a "global governance" mandate. Talk of partnerships and poverty reduction will be used to justify the tenets of neo-liberal capitalist dogma: privatization, liberalization, flexibilization. Warm words about aiding Africa will distract from the most grotesque and racist forms of "collateral damage" in the US-led war on terror. Whatever consensus is articulated in Kamanskis will not be new. Its terms will have been dictated in advance by the usual suspects: the IMF, the World Bank, the WTO, transnational corporations, and by an elite capitalist class in countries around the world who profit from the global neocolonial pillage. The wealthy G8 states will agree to enforce these dictates, as they have always done, to protect the interests of their ruling classes. They will subsequently coerce less wealthy and less powerful states to do the same...

...PR sham or not, the retreat to Kamanskis provides us, the people of the world hungry and thirsty for justice, with an apt moment to challenge the state leaders who have been appointed global governors by a global elite and their institutions of global finance. In the streets and in neighborhood assemblies, on squatted land and in back alleyways, in community kitchens and in detention centers, in each place where people struggle to survive, resistance from below is growing and multiplying. It is everywhere, forcing cracks in the smooth and deceptive veneer of global governance.

We write this pamphlet as part of the resistance.
It is an attack on global governance...

- 18-41.
- [5] NEPAD, pa. 27.
- [6] NEPAD, pa. 5, 8.
- [7] NEPAD, pa. 47.
- [8] NEPAD, pa. 47.
- [9] Trevor Ngwane, "Phansi! NEPAD Phansi! Down with NEPAD!," African Social Forum, World Social Forum, Porto Alegre, Brazil, February 2, 2002.
- [10] Yash Tandon, "NEPAD=SAP+GATS+DSB," SEATINI Bulletin, 5.4, 28 February, 2002.
- [11] Patrick Bond, "Thabo Mbeki's NEPAD: Breaking or Shining the Chains of Global Apartheid?," www.fpi.org.
- [12] John S. Saul and Colin Leys, "Sub-Saharan Africa in Global Capitalism," Monthly Review, Volume 51, no.3, July-August, 1999.
- [13] Ibid.
- [14] NEPAD, pa. 33.
- [15] Yash Tandon, "NEPAD=SAP+GATS+DSB," SEATINI Bulletin, 5.4, 28 February, 2002.
- [16] NEPAD, pa. 24
- [17] "United Nations, World Investment Report 1998: Trends and Developments," United Nations, 1998; cited in John S. Saul and Colin Leys, "Sub-Saharan Africa in Global Capitalism," note 11.
- [18] Patrick Bond, "World Bank in the Time of Cholera," April 13, 2001.
- [19] World Health Organization Cholera Fact Sheet www.who.int/inf-fs/en/fact107.html
- [20] Patrick Bond, "Thabo Patrick Bond, "Thabo Mbeki's NEPAD: Breaking or Shining the Chains of Global Apartheid?," www.fpi.org.
- [21] Conversation with A. Fall, March 21, 2002.
- Call to Action**
- [1] Alan Cribis, "Argentina: The Demise of Neoliberal Economics?," January 20, 2002. www.zmag.org.
- [2] James Petras, "Road Warriors," www.america.org.
- [3] www.mstbrazil.org

This pamphlet is the product of discussions and debates with a great many people, in Montreal and elsewhere, and we'd like to thank all of you. If you find this pamphlet useful, think of it as one articulation of a collective analysis that we are all building together in the places where we live, work and resist. (If you hate it, well then, we should argue.)

Thanks also to everyone who sent us useful resources and who proof-read and translated, to the members of the CLAC, to the people who did our shift-work so we'd have time to write, to the roommates and friends who fed us while we worked, to the TAO workers who kept our email flying smoothly, and to the people who told us to quit being such perfectionists.

Finally, gratitude to all who struggle for justice. May your bricks—and your books—have wings.

Love & Rage

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The G8

- [1] Peter Hajnal and John Kirton, "The Evolving Role and Agenda of the G7/G8: A North American Perspective," NIRA Reviews, Spring 2000, p.5.

The G8 and Global Governance

- [1] Tom Grimmer, "New Economic Powers in the World," Financial Post, Weekly Edition, Wednesday, June 14, 1995, p.17. "[...]Recent statistics from the International Monetary Fund show that 10 nations in East Asia excluding Japan now account for almost one third of the world's foreign exchange reserves. Not counting gold, East Asia holds US \$375 billion. The entire G7 has US \$377 billion. All the other nations on the globe combined account for US \$436 billion."
- [2] "Reforming the Global Financial Architecture: A Chronology," www.fin.gc.ca/activity/finarchref_e.html
- [3] Titus Alexander quoted in Salih Booker and William Minter, "Global Apartheid," The Nation, July 9, 2001.
- [4] "Summit Priorities," g8.gc.ca/summitprior-e.asp
- [5] Nicholas Bayne, "Global Governance - Bringing the South In: The Contribution of the G8 Summit," p.2. www.g7.utoronto.ca/g7/scholar/johnson2000/johnson1.htm.
- [6] Pierre Marc Johnson and Karen Mayrand, "Beyond Trade: Broadening the Globalisation Governance Agenda," <http://www.g7.utoronto.ca/g7/scholar/johnson1.htm>, p.2.
- [7] Ibid.

Economic Growth, Free Trade and NAFTA

- [1] The Canadian Centre for Policy Alternatives Monitor. Vol. 8. #3. July-August 2001. p.2-3,15,19.
- [2] The Economist, February 2-8, 2002. p.68.
- [3] Multinational Monitor, Vol. 21. #11, November 2000, p.24-25.
- [4] Steve Bonta, "Power Elite and George W.," The New American, Vol. 17, #15, July 17, 2000. www.thenewamerican.com
- [5] "New Corporate Development from Southeastern Mexico to Panama: PLAN PUEBLA PANAMA," www.acerca.org

The War on Terrorism

- [1] "President Discusses War on Terrorism in Address to the Nation," November 8, 2001, www.whitehouse.gov
- [2] George Monbiot, "America's Pipe Dream," The Guardian, Oct 23, 2001. www.zmag.org
- [3] John Pilger, "Hidden Agenda Behind the War on Terror," www.zmag.org
- [4] Ahmed Rashid, Taliban: Militant Islam, Oil and Fundamentalism in Central Asia, New Haven: Yale University Press, 2000.

- [5] Marc W. Herold, "A Dossier on Civilian Victims of United States' Aerial Bombing of Afghanistan: A Comprehensive Accounting," www.zmag.org/herold.htm

State Terrorism

- [1] William Blum, Killing Hope: U.S. Military and CIA Interventions since World War II. Montreal, Black Rose Books, 1998.
- [2] "Guatemala's Lethal Legacy," Amnesty International, www.web.amnesty.org
- [3] The International Consortium of Investigative Journalists "Narcotics and Economics Drive U.S. Policy in Latin America," www.public4.org
- [4] New Internationalist, #333, April 2001, p.29.
- [5] Troy Skeels, "Plan Colombia and the Andean Initiative," Eat the State, Volume 5 #23, July 25, 2001. www.eatthestate.org

Sustaining the Debt

- [1] www.worldbank.org and www.imf.org
- [2] The New Internationalist, #312, May 1999, p.7-11.
- [3] Wayne Ellwood, The No-Nonsense Guide to Globalization, Toronto: New Internationalist, 2001. p.48.
- [4] The New Internationalist, #320, January-February 2000. p.24-25
- [5] "G7 Finance Ministers' Report to the Heads of State and Government on Debt Relief and Beyond," 2001 Genoa Summit, www.g8.gc.ca/genoa/debt-relief-e.asp
- [6] Multinational Monitor. Vol. 21. #4, April 2000, p.10-11.
- [7] Multinational Monitor. Vol. 21. #4, April 2000, p.10-11
- [8] [www.cepi-icci.org/English/international/JubileeSouth\(Nov99\).htm](http://www.cepi-icci.org/English/international/JubileeSouth(Nov99).htm)

Partnership with Africa

- [1] "Genoa Plan for Africa," Genoa, July 21, 2001. www.g8.gc.ca/genoa/july-21-01-3.asp
- [2] The partnership is meant to support the following key themes taken from what was the New African Initiative: Democracy and political governance; Prevention and reduction of conflict; Human development, which includes the Global AIDS and Health Fund; Information and communications technologies; Economic and corporate governance; Action against corruption; Stimulating private investment in Africa; Increasing trade within Africa and between Africa and the world; Combating hunger and increasing food security. Ibid.
- [3] Patrick Bond, "Interpreting Thabo Mbeki's Various African Initiatives," November 18, 2001, www.zmag.org/sustainers/content/2001-11/18bond.cfm.
- [4] New Partnership for African Development. pa

The G8

The G8 (Group of 8) brings together the heads of state of the seven most industrialized countries in the world, and Russia.

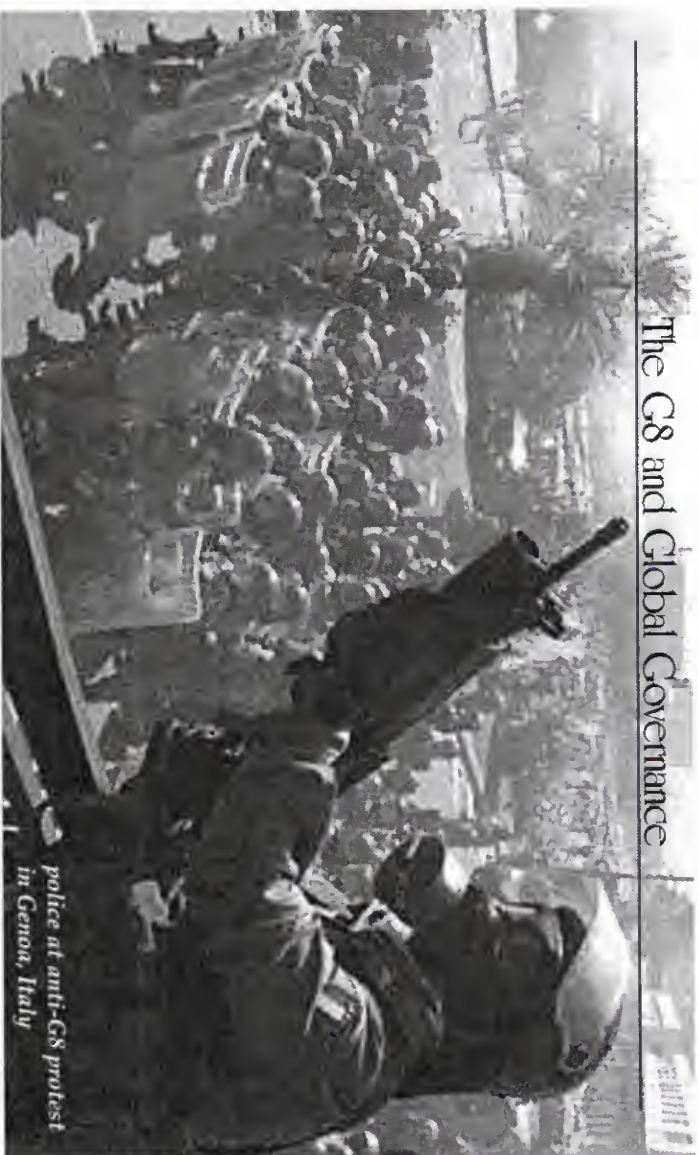
The G8 first met in 1975 as the G6 when leaders from France, the United Kingdom, United States, Germany, Japan and Italy gathered in Rambouillet, France. The meeting was convened so that leaders could formulate a collective response to the global monetary crisis triggered by the OPEC oil embargo in 1973. The official record has it that they discussed "economic growth, monetary reform, inflation, unemployment, trade and oil prices and supplies."^[1]

When Canada joined the elite group of states in 1976, the group became known as the G7. No other state was allowed to join until Russia was finally accepted as a full member in 1998, and the G7 became the G8. The G7, however, continues to exist as a separate, parallel organization that focuses primarily on financial matters. The European Community—now the European Union (EU) also began participating in the Summit process in 1977, though its status and participation is different than that of regular states.

Unlike other global institutions such as the IMF and the World Bank, the G8 doesn't have a permanent secretariat or administrative body. The activities of the G8 consist most notably of an annual meeting of heads of state. These gatherings are referred to as Summits, though some would call them cocktail parties or photo-ops.

The purpose of these meetings is to allow the G8 states to co-ordinate their policies. Although the G8 has no "official" or internationally agreed upon authority to enforce policy decisions, the consensus that the G8 helps to articulate is extremely influential. This is partly because the states involved (with the exception of Russia) are the most industrialized, and therefore wealthiest and most powerful states in the world. Many are or were colonial or imperial forces. In part, however, the policy consensus that the G8 articulates has clout because it is written and supported by the International Monetary Fund, the World Bank and the World Trade Organization, transnational corporations, global financiers and very wealthy capitalists.

The G8 and Global Governance



Critics of the G7/G8 have argued that in the contemporary globalized economy, it is silly to think that the small group of predominantly Western states is sufficiently representative of all the major global economic players to adequately or effectively coordinate global economic policy. During the mid-90s, for example, a Financial Post columnist pointed out that the lack of representation of East Asian economies (at a time when they were expanding rapidly) made little sense if you compared the productivity or size of those economies with the G7 economies. "Something's wrong here," he wrote, "A group of people who supposedly represent the world economic order are sitting down once a year without representation from the most dynamic region in the world." [1] Other critics of the G7/G8 have argued that "Emerging economies"—that is to say, developing countries whose governments are friendly to neo-liberal trade and investment policies—must be represented at leaders' summits for such meetings to achieve their stated ends.

In 1999, at a G7 Finance Ministers meeting in Washington DC, the G7 responded to these critiques by creating a parallel institution known as the G20 (Group of 20). The G20 is similar to the G8 in the semi-formality of its structure, but it encompasses a broader range of participants—that is, it includes the finance ministers and central bank governors of "emerging market" states as well as of industrialized ones. Thus, in addition to the states represented at the G8, G20 members include: Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, Korea, Turkey, and the European Union. The President of the World

talism's most oppressive manifestations and predatory tendencies. This line of thinking still falls well within the logic of capitalism that drives global governance and poses no fundamental threat to either. The rulers of government and business appropriate the language of reform and continue the plunder. They talk about poverty reduction while imposing poverty. They appeal to human rights to justify mass murder. They talk about partnerships while perpetuating global apartheid. The rhetoric of global governance becomes the fuzzy mittens on the hidden hand of the market and the iron fist of the military.

Global governance should not be negotiated, it should be attacked.

The attack is already underway. The worldwide struggle against capitalism is led by movements in the global South where the poverty and the repression are more concentrated. In Argentina, for example, a country that has been in the grip of neo-liberal economic policies for decades, a strong movement of unemployed workers, called the *Piqueteros*, has developed. Organized in neighborhood assemblies, they block major highways in order to paralyze commerce and press demands on a corrupt and complicit government. They form the backbone of the protest movement that forced the president out of office in December 2001. [1][2] In Brazil, members of the MST, which comprises hundreds of thousands of landless peasants, occupy land and grow crops to survive, while setting up alternative health and education centers. [3]

Inspired by these and other struggles, anarchists are organizing as part of the grassroots resistance within the global capitalist empire.

We reject the logic of profit, and instead we are organizing toward an economy that produces to fulfill everyone's needs. We are trying to create a classless society, without private property, in which economic decisions are made democratically by communities. We are imperfectly enacting decentralized forms of direct democracy in

Anarchy?

The word "anarchy" comes from Greek and means "no rulers." As a political philosophy, anarchism is based on the belief that organization does not require hierarchy. Society can and should be organized based on mutual aid and free association, without police, politicians and bosses; domination and exploitation should be attacked wherever they exist. Only for those who mistakenly believe that organization is necessarily tied to hierarchy, does "anarchy" mean "chaos".

which collective decisions are directly in the hands of the people and communities who are affected by them. We are pushing the imaginary boundaries that divide people and arguing for a true internationalism that refuses borders that impede the free movement and full dignity of human beings. We hope to create a society without government, based on liberty, equality and international solidarity.

But we realize that those who profit off of misery and exploitation will do everything in their power to maintain the world as it is, and only through a prolonged struggle on many different fronts will we move toward such a society. Instead of easy answers, we offer a call to action, solidarity and struggle.



In spite of all the rhetoric, global governance does not provide a framework for overcoming the vast inequalities that stratify the globe along lines of race and class and gender. And the G8 Summits are not forums in which poverty reduction can be coordinated. When the heads of state of the wealthiest and most powerful countries meet together, they work out how to further their own agenda and that of the capitalists who keep them in power. When they give loans and when they give debt relief, when they send troops and when they send aid, when they talk about development and when they talk about poverty reduction, it is all guided by the control and profit logic of class war. Their policies and PR all reflect the basic and underlying strategies of capitalism and government: control people, and divide them, so that you can profit off them. Alongside the plainly stated economic and military ideology of capitalism, an ideology of so-called alternatives develops.

Some people argue for a kinder, gentler capitalism. They say that we should strengthen government, national and international, in order to counterbalance capi-

Bank and the Director of the IMF also participate in G20 meetings. Does the G20 somehow represent the diversity of states integrated (by will or by force) into the global economy? Hardly. Membership is based on the extent to which "size or strategic importance gives [countries] a particularly crucial role in the global economy." [2] And every member of the G20 adheres to the same economic policy line, as they actively promote trade liberalization and the privatization of services and infrastructure at home.

The G7/G8 is also criticized for being an elitist organiza-

police charge a demonstration against the G20 in Montreal



Global Apartheid

"Global apartheid, stated briefly, is an international system of minority rule whose attributes include: differential access to basic human rights; wealth and power structured by race and place; structural racism, embedded in global economic processes, political institutions and cultural assumptions; and the international practice of double standards that assume inferior rights to be appropriate for certain "others," defined by location, origin, race or gender.

"Global apartheid thus defined, we believe, is more than a metaphor. The concept captures fundamental characteristics of the current world order missed by such labels as "neo-liberalism," "globalization" or even "corporate globalization." Most important, it clearly defines what is fundamentally unacceptable about the current system, strips it of the aura of inevitability and puts global justice and democracy on the agenda as the requirements for its transformation."

Salih Booker and William Minter, "Global Apartheid" The Nation, July 9, 2001. <http://www.thenation.com>

tion that functions to preserve the global economic and political dominance of predominantly white, wealthy, industrialized Western states at the expense of and through the exploitation of less-developed and less wealthy states—the people of which are most often people of colour. Sources from 1996 indicate that "The G7 countries have 12 per cent of the world's population, but they use over 70 per cent of its resources in cash terms and dominate all major decision-making bodies." [3] When analyzed in the context of a globalized, systemic imbalance of power, wealth and consumption, the G7/G8 appears to be structur-

ing and promoting a system of global apartheid.

In response to growing concern about its function in a fundamentally unjust and racist world order, the G7/G8 has expanded its focus beyond eco-

nomie policy. It now addresses social issues and issues of international security too. This year, only one of the three themes of the 2002 Summit in Kananaskis is explicitly economic. In addition to discussing ways of promoting economic growth as a global recession looms on the horizon, the G8 will prioritize fighting terrorism and "building a new partnership for Africa's development". As well, the official G8 website says that leaders will address issues related to poverty reduction worldwide, a focus that is carried over from previous summits. [4]

The importance of this multi-issue focus is frequently spoken of in terms of "global governance". The term has been defined by one academic as "the totality of actions taken by governments - whether singly, jointly or in formal institutions, often with the help from outside forces - to respond to globalisation." [5] More substantively, global governance means taking into account the fact that a globalized economy means that both rich and poor countries are players in a market system, and that consequently, global institutions and wealthy states with vested interests in the "health" of the global economy have to address the concerns of poor countries too. They must integrate them into the global economy in such a way as to promote their growth and development. The institutions that aid and abet the global governors in their self-appointed tasks include the International Monetary Fund (IMF), the World Bank (WB), the WTO, the United Nations (UN) and its various agencies (UNCTAD, etc.), as well as networks of NGOs engaged in corporate and state-funded development projects.

The rhetoric of global governance acknowledges that in a globalized economy, it isn't enough to simply open markets to trade, and allow the wealth to accumulate according to market dictates. Rather, wealthy industrialized states have a responsibility to aid the development of less developed states, in order to allow them to participate in global markets from a more equitable starting position, and for more egalitarian and empowering ends. The language of global governance sounds benevolent—if somewhat paternalistic and condescending when spouted by heads of states of the wealthiest Western countries, whose riches have been acquired by means of colonial and neo-colonial conquests.

But the rhetoric of global governance is just that—rhetoric. Politicians and policy makers are getting the creepy feeling that as the disparity between rich and poor widens and as global protest movements gain strength, they must somehow assuage the increasing hostility toward trade deals, financial liberalization policies, and the primacy of global capital. Their conclusion?



for minimal amounts of debt relief (or rather, adjustment) demands the liberalization of the most fragile economies, that is to say, the privatization of health care, of water provision, of education and of protected industries—policies which further marginalize poor communities, most often communities of colour—struggling to survive. "Sustainable debt" renders the basic conditions of life unsustainable for the Africa's poor majority, while Western banks, corporations and global elites profit.

By proposing a partnership with Western countries that relies on neo-liberal economic strategies, the NEPAD fails to present a substantial resistance to imperialism and to neo-colonialism. Rather, Mbeki, Bouteflika, Obasanjo, and Wade, by promoting NEPAD and the actual economic strategies it reiterates, are promoting the policies of Western imperialism and neo-colonialism from inside—on behalf of their Western exploiters, and on behalf of the African elites who will also benefit.

Yet even more disingenuous is the apparent enthusiasm for the plan demonstrated by the G8 leaders. The NEPAD will provide the G8 leaders with fuzzy feelings of good-will and photo-op fodder, as they fly Thabo Mbeki and other African leaders into Kananaskis ever so briefly to ask for financial support—or was that to negotiate a partnership?—to implement the plan. Global governance will take on its benign and caring face and, noblesse oblige, the Western heads of State will listen attentively. And then they will put Mbeki back on a plane home and endorse their own Africa Action Plan, which a special task force was mandated to draft at the Genoa Summit. The Plan is unlikely to commit the G8 states to the sort of financial aid that the implementation of the NEPAD would require and that Mbeki will ask for—an estimated \$64 billion. Why spend that much to exploit a continent that can be and already is exploited for free? [21]

Instead, showcasing the NEPAD in Kananaskis will allow G8 leaders to give a hollow nod to African independence and self-managed renewal, and to justify continued implementation of SAPs in African countries, and the privatization and liberalization projects that those imply. "After all," they will be able to tell protesters in the West, the African people—or at least their leaders—will have asked for them. And so the G8 Summit in Kananaskis will be the occasion of the full co-optation of the language of African renewal and genuine social and economic integration that permeates NEPAD—a co-optation that takes place simultaneously from within and from without African states—by a global governance agenda that promotes the exploitation of the world's most vulnerable people with an iron hand encased in fuzzy mitten language about "partnerships," "sustainability" and "self-empowerment."

ple, functions for transnational corporations as a reservoir of mineral, oil and natural gas resources to be exploited. While the returns on the investment of these corporations are high—and therefore profit margins are high—it is "hit and run investment." [12] The profits of the mining and oil extraction enterprises are by and large streamed out of the exploited regions, not re-invested in local economies or infrastructures, and insufficient numbers of Africans are stably employed by the industry to create any real wealth in the region. Moreover, the activities of these corporations fuel ongoing conflicts within the region, as they create opportunities for and rely on diamond smuggling and gun-running operations. [13]

So although Africa is being exploited by foreign companies for its minerals, foreign companies are profiting from the mining operations. Though NEPAD acknowledges that capitalist globalization "has increased the ability of the strong to advance their interests to the detriment of the weak," [14] and is articulated as a self-conscious refusal of further exploitation of the African continent by foreign plunderers, it offers no strategy for dealing with this imbalance of power in future economic and political interactions with wealthy Western nations and corporations. [15]

The NEPAD alludes to the fact that SAPs implemented during the 1980s "provided only a partial solution" to poverty and "gave inadequate attention to the provision of social services." [16] It proposes to redress the inadequacy of contemporary social services and infrastructure by attracting more foreign direct investment (FDI) from investors who will compete to provide services such as water, electricity and highway infrastructure to African countries. Although attracting stable FDI has so far been elusive—in 1997, the entire African continent attracted only 3% of the world's FDI [17]—the NEPAD proposes to do so by nurturing "Public Private Partnerships" (PPPs). PPPs are plans according to which governments subsidize the privatization of social services and infrastructure. Such assistance is being offered in spite of the various privatization plans that have already failed in South Africa, in Ghana and in a variety of other African countries.

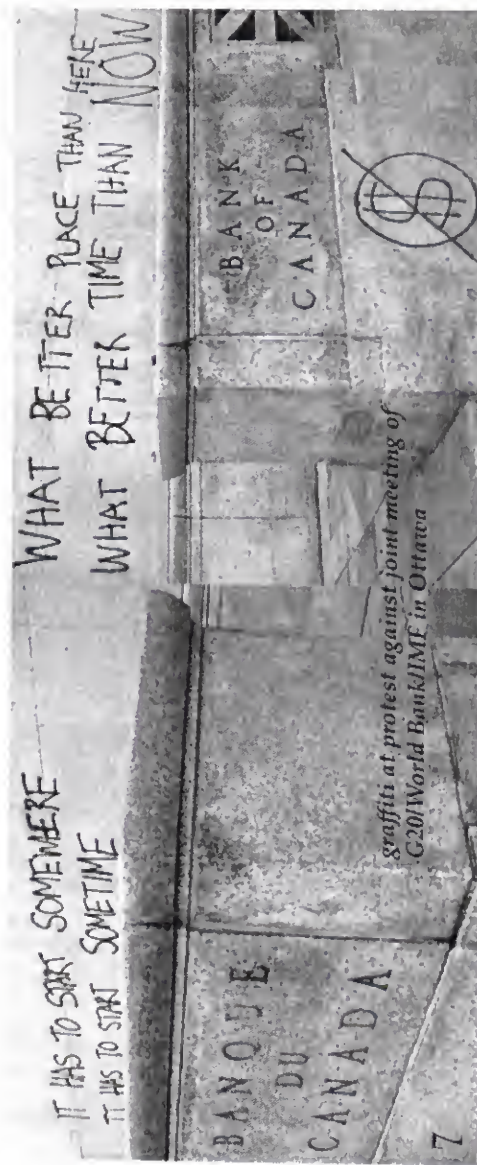
Similarly, NEPAD endorses many of the existing "debt relief" programs imposed by the IMF and World Bank which have helped structure a system of global apartheid by creating the conditions of poverty in which a majority of the people of Africa struggle to survive. The NEPAD fails to condemn the HIPC Initiative, and advocates engaging in the HIPC process as a first step to debt-relief. [20] But as we have seen, the HIPC Initiative is highly problematic: qualification

In South Africa, water privatization schemes drawn up by the World Bank and implemented by the ANC government since the end of Apartheid have allowed providers to cut off the water of low-income people and neighborhoods unable to afford the connection fee (around \$6), and have discouraged state investment in and subsidization of enough taps and toilets for poor South Africans. These policies have forced many low-income South Africans to use dirty rivers as water sources, and to rely on pit latrines and communal taps for their basic sanitation needs. This in turn has led to cholera outbreaks, particularly severe in the province of Kwazulu-Natal. Between September, 2000 and April 2001, more than 80,000 South Africans contracted cholera, and over 180 people died as a result of the disease. [18] cholera is preventable with "hygienic disposal of human faeces, an adequate supply of safe drinking water, and good food hygiene." [19]

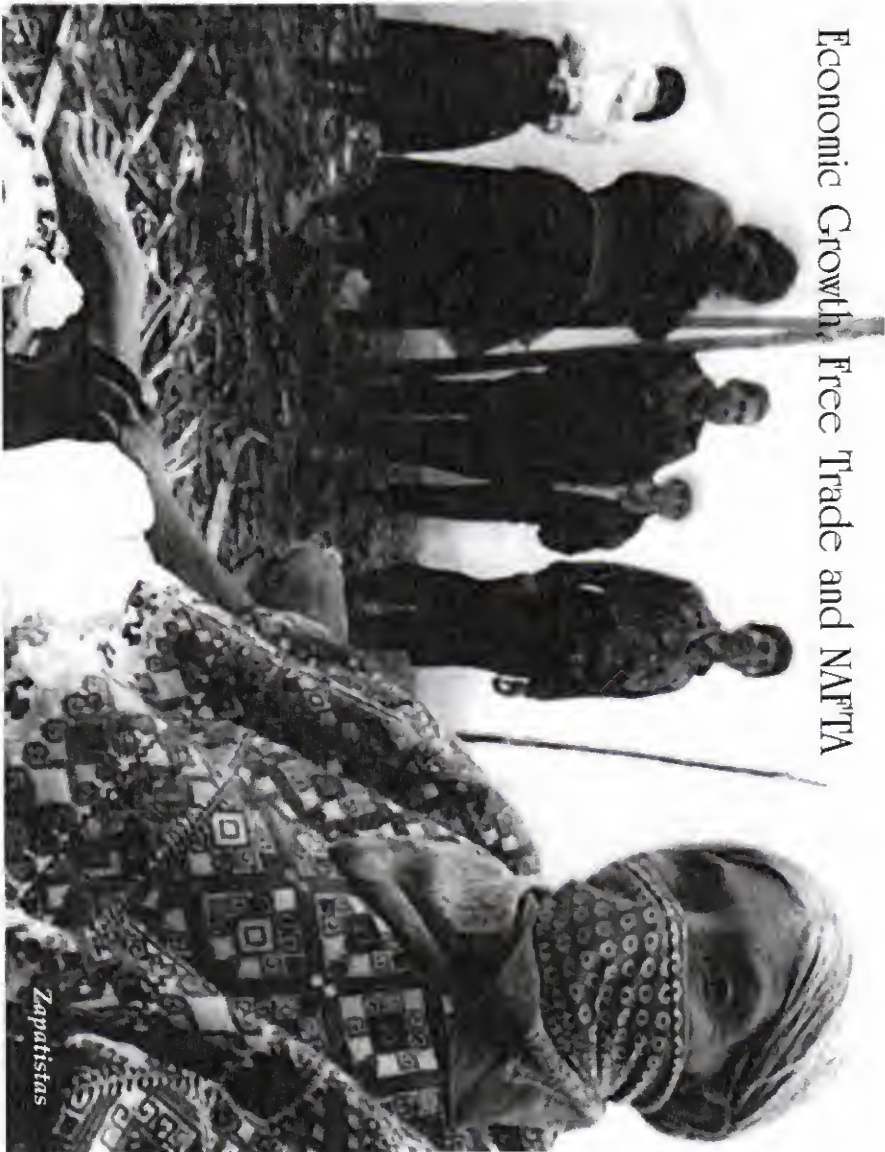
"Either the globalisation agenda will now be broadened from its narrow, almost exclusively trade-and-financial-issues-focussed-process to a more inclusive one oriented toward human and sustainable development, or it will face increasing hostility from civil society and developing countries. Such hostility will continue to be a drain on commercial and financial globalisation as it is expressed in international fora and will result in diminishing political support for trade and financial liberalisation at the domestic and local levels." [6]

In order to maintain a semblance of popular support for neo-liberal trade and investment policies, politicians, policy makers, and all those with a vested interest in advancing the current capitalist agenda of privatization and trade liberalization must demonstrate to the people they govern and exploit that they are also addressing issues of environmental degradation, human rights violation and poverty. In good global governance speak, "the trade and non-trade agendas of globalisation" must be "reconciled" [7] in order to protect the former agenda from the wrath of communities whose local infrastructures, employment markets and social fabric have been devastated by it.

The language of reconciliation, however, is disingenuous. It is disingenuous because genuine attempts at reconciliation can take place only once aggression has stopped. Has the aggression stopped? Have the policies that have imposed hunger in Buenos Aires, Argentina, the privatization of water services and subsequent cholera epidemics in the township of Alexandra, South Africa, the displacement of Indigenous peoples in Mexico and Guatemala from their ancestral lands, the housing crisis in Montreal or the criminalization of street youth and homeless people in Toronto been repealed? Will they be? No, the G8 and its supporters don't pretend to harbor any intention of ceasing to push trade liberalization, financial liberalization and the privatization of essential public services on both industrialized and developing countries. Rather, they are addressing 'non-trade' agendas in an attempt to diffuse and divert from the rising opposition to capitalist exploitation cast in neo-liberal terms.



Economic Growth, Free Trade and NAFTA



Zapatistas

On January 1st, 1994, the indigenous people of the southern Mexican State of Chiapas rose up in arms. The Zapatista rebellion was deliberately timed to begin the same day that NAFTA (the North American Free Trade Agreement) was implemented.

NAFTA is a treaty between the US, Mexico and Canada. It establishes what is called "free trade" across their borders. This means that tariffs on imported goods are eliminated, giving investors in the three countries access to the other countries markets. For non-investors, however, borders become harder to cross. Since NAFTA was implemented, the US-Mexico border has become more and more heavily policed. This is an essential aspect of "free trade". By making it easy for capital to cross borders, but difficult for people, corporations can play one work force off against another. If wages are too high in one country, or if unions are cutting into their profits, they can simply relocate to another country with lower wages or more lax laws. Since NAFTA, hundreds of thousands of jobs have been lost in the United States and Canada, as factories have been moved to the region just south of the US-Mexico border. Since NAFTA, real wages have dropped in all three countries. In Mexico, manufacturing wages have dropped 21%. [1]

President of South Africa
Thabo Mbeki
(left) and US
Secretary of
State Colin
Powell (right)



fact, since it was first presented at the Okinawa Summit, to which Mbeki was invited by Bill Clinton, the document has been shaped in meetings with the heads of the World Bank and IMF, at European Union meetings, the World Economic Forum at Davos, Switzerland in 2001 and finally at the G8 Summit in Genoa—where, in what must have been a particularly humiliating instance of consultation with Western leaders and the corporate behemoths that manipulate them, Mbeki given all of 10 minutes to present the NAI/NEPAD. [9]

When the NEPAD goes on display in Kananaskis, it will still not have undergone the scrutiny of the vast majority of African society. This highlights the hypocrisy of NEPAD's rhetoric of "participatory process." In the words of Yash Tandon, "After the leading African Heads of Government (...) had discussed NEPAD among themselves, they appear to have gone first to the Western capitals and the representatives of international private capital before consulting with their own people." [10]

Why do the G8 leaders and their corporate associates at the World Economic Forum seem to like NEPAD so much? There seem to be two answers to the question. The first is that in spite of its acknowledgement of the way in which capitalist globalization—premised on colonialist and neo-colonialist exploitation of the continent by Western states and corporations—has led to the current conditions of poverty, NEPAD's proposed strategies for African development fit seamlessly into that same neo-liberal model of globalization and development. And the underlying assumption of this model is that "integration into global markets solves poverty." [11]

Indeed, NEPAD calls for further integration of African economies into the global economy. But Africa is already well integrated. Sub-Saharan Africa, for exam-

South African president Thabo Mbeki prepared an earlier incarnation of the New African Initiative (NAI)—then called the Millennium Plan for African Recovery—for the G8's Okinawa Summit in 2000. The plan was renamed the NAI before the Genoa Summit, and renamed again in October, 2001. It now goes by the name of the New Partnership for Africa's Development (NEPAD). At least one South African commentator has glossed the most recent name-change with reference to the fact that the Afrikaans translation of the acronym "naai" is "being 'fucked over'." [3] Since its inception, Mbeki's initiative has gained the support of several other African heads of states, prominent among them Abdelaziz Bouteflika of Algeria, Olesegun Obasanjo of Nigeria, and Abdoulaye Wade of Senegal.

The most compelling thing about the NEPAD, according to its African critics, is that it is a project that acknowledges the devastating legacy of colonial and neo-colonial rule on the continent. [4] It critiques the economic exploitation of African states for their environmental and mineral resources by Western companies, the lack of a dynamic, productive role for African countries in the global economy, and their continued marginalization as an export economies. It seeks to address the conditions of extreme poverty that is that legacy by refusing a relationship of economic dependence on and political marginalization by Western states and the institutions of global finance. The document refers to development as a "process of empowerment and self-reliance" and calls on the African peoples to "be the architects of their own sustained upliftment."

In Africa, 340 million people, or half the population, live on less than US \$1 per day. The mortality rate of children under 5 years of age is 140 per 1000, and life expectancy is only 54 years. Only 58 per cent of the population have access to safe water. The rate of illiteracy for people over 15 is 41 percent. There are only 18 mainline telephones per 1000 people in Africa, compared with 146 for the world as a whole and 567 for high-income countries.

[5] Moreover, the NEPAD calls on Western, wealthy, highly industrialized states to engage in an equal partnership with the people of African countries, based on a recognition of their mutual interdependence. In all these ways, the NEPAD presents itself as a sign of African independence, a refusal of neo-colonialism, and a trajectory away from marginalization.

The New Partnership for Africa's Development calls for the reversal of this abnormal situation by changing the relationship that underpins it. Africans are appealing neither for the further entrenchment of dependency through aid, nor for marginal concessions. ... [The NEPAD] is a call for a new relationship of partnership between African and the international community, especially the highly industrialized countries, to overcome the development chasm that has widened over centuries of unequal relations. [6]

Although the NEPAD claims that "[i]t is based on the agenda set by African peoples through their own initiatives and of their own volition, to shape their own destiny" [7] and talks about the importance of "participatory processes" [8] for achieving the plan, many African critics of NEPAD have pointed out that the document was not proposed by the people of Africa, or even developed in consultation with them. In



Free trade does not take place between equals. Wealthy governments impose unequal terms of trade on poorer ones. Strong countries protect their weaker industries with tariffs. This means that the terms of trade between rich and poor countries are essentially unequal, which ends up destroying the national economies of poor countries. For example, at the same time as the US Congress passed Fast Track to make it easier for President Clinton to sign NAFTA, they passed agreements making free trade of farm goods and textiles more difficult. Not coincidentally, more than 70% of exports from poor countries are farm goods and textiles. [2] Once a rich country has built up sectors of its economy so much that it is sure to win in open competition, it demands equal access to the markets of other countries. Free trade then opens up a country's economy to competition with bigger and more dynamic economies, and well-financed (and often well-subsidized) transnational corporations (TNCs). TNCs move in, set up export-oriented plants and out-compete the local producers. The foreign-owned factories that are created contribute almost nothing to the local economy.

NAFTA opened up the Mexican economy to competition with big Canadian and US corporations. One result is that in the first 2 years of NAFTA alone, 2 million

peasant farmers were forced off their land, out-competed and displaced by highly subsidized US agribusinesses. [1] Many of these people went straight to work in the new

export processing zones (maquiladoras) owned and operated by US corporations. The number of maquiladoras has more than doubled under NAFTA. [3]

In January of 1999, when he was still the Governor of Texas, George W. Bush proclaimed "NAFTA is good for Texas and good for Mexico." [4] This is only true if "Mexico" is taken to mean an elite class of rich Mexicans. For the poor majority of Mexicans, free trade has been a disaster. Wages have fallen and poverty has spread. Farmers, many of them indigenous people, have been forced off their land and into factories. Over 950,000 workers, most of them women, now work in the maquiladoras. In the US and Canada too, income inequality has increased and real wages have decreased since NAFTA.

Nevertheless, a small elite class of investors, bankers, factory owners, economists, bureaucrats and politicians has profited from NAFTA and the economic growth that it sparked. And it is these people who want to push it further. The proposed Free Trade Area of the Americas (FTAA) would extend NAFTA to include all the countries of North and South America (except Cuba). It is set to be implemented by January 2005, and talks are underway to speed up its implementation in Central America.

To lay the groundwork for the FTAA, Mexican President—and former Manager of Coca-Cola's Mexican branch—Vincente Fox is pushing Plan Puebla-Panama (PPP). PPP is a development plan for all of Central America, and will extend from Panama to the Southern Mexican State of Puebla. It will create deep-water ports on both coasts capable of holding the largest transport ships. High-speed trains and highways will run up and down the continent, connecting the ports to each other and to a network of new maquiladora zones. Plan Puebla-Panama will literally pave the way for free trade. It will create the necessary infrastructure so that corporations tak-



worker in maquiladora



Vincente Fox



After years of virtually ignoring Africa as it was devastated by colonialist and neo-colonialist exploitation, SAPs, cold-war funded intra-state conflicts and comprador governments, the G8 leaders are now turning their gaze on the continent. At the Genoa Summit in July, 2001, the G8 leaders pledged "to support African efforts to resolve African problems". They praised the New African Initiative (NAI), which was

"The situation in many developing countries—especially in Africa—calls for decisive global action. The most effective poverty reduction strategy is to maintain a strong, dynamic, open and growing global economy. We pledge to do that."

G8 Leaders - G8 Communiqué, Genoa Summit

presented by President Thabo Mbeki of South Africa, and heralded it "the basis for a new intensive partnership between Africa and the developed world." [1] To promote this partnership, the summit leaders in Genoa struck a committee to liaise with African leaders and to develop an action plan to be discussed and approved in Kananaskis, where Jean Chrétien has promised that promoting a partnership of the developed world with Africa will once again be at the center of the agenda. [2]

This sudden concern for Africa fits the global governance mold: leaders and technocrats talk about poverty reduction and equal partnerships to ease popular acquiescence to market expansion and the creation of welcoming conditions for foreign corporate investment. A closer look at the NAI—renamed the New Partnership for Africa's Development (NEPAD)—supports answers the question: "What's in it for the West?"

which was proudly displayed by G8 leaders at the Genoa Summit in 2001, begs the question: if the poor majority in heavily indebted poor countries suffer because their debt repayments siphon money away from the provision of basic social services, why should the foreign debts of HIPC be rendered sustainable? Similarly, why would G8 states sustain the treachery of the World Bank and the IMF by promoting limited forms of debt relief conditional on neo-liberal economic, structural and social reforms, as recommended in an IMF Poverty Reduction Strategy Paper?

The answer is obvious: debt relief is a tool of global governance—a tool used to impose the “consensus” dictated by transnational capital and articulated by the leaders that enable them on the occasion of cozy Summit gatherings. As Michel Camdessus, the former Managing Director of the IMF put it, “If we have learned one thing about debt relief, it is not so much that the amount of debt reduction matters, of course it matters a lot. But what matters even more is the quality and duration of the economic effort that must sup-

port the debt relief and create change for the better. This, of course, carries a message about the way in which money should be spent on debt relief. It must be in a way that creates incentives for countries to continue to persevere with adjustment and reform. And we must be inventive for that.” [7] One such inventive change came in 1999, when the IMF and World Bank replaced the Structural Adjustment Programs with the Poverty Reduction and Growth Facility (PRGF). New name, same form of imperialist imposition of neo-liberal policies.

But while G8 leaders like Jean Chrétien flog their debt-relief schemes with the help of Bono and Bill Gates, another movement is growing. The Jubilee South movement, formed in 1999 as an assembly of Southern movements, is not demanding debt relief but the full cancellation of the debts of Southern countries. Jubilee South refuses to deal with debt relief as an altruistic gesture of wealthy countries, or as an international security measure to secure wealthy countries against the resentment of poor ones. Rather, total cancellation is premised on the recognition that “it is the North that is in debt—historically, ecologically, socially and morally—to the peoples of the South.” [8] That is to say, it is the North that should be paying Southern countries for hundreds of years of plunder. As well, Jubilee South recognizes that the IMF and World Bank cannot be reformed: “The IMF and the WTO have no moral authority to impose conditions and have no capacity to provide solutions to problems they have created and intend to perpetuate.” [8] They must be shut down!

“I know how absurd it is to have a rock star talk about the World Health Organization or debt relief or HIV/AIDS in Africa...”

*-Bono
Time Magazine*



Bono, from U2, at the superbow half-time show



scabs enter a maquiladora protected by "Fuerzas Especiales" in Tijuana, Mexico

ing advantage of cheap labour in Asia, can quickly ship products to Europe and the East Coast of the United States, and if any assembly is necessary it can be done in Central America.

By intensifying corporate access to the region, PPP will force more indigenous people to stop farming, and will thereby create another source of cheap labour for the maquiladoras. More land will be privatized. Highways will go right through Chiapas. In this way PPP is also a plan to get rid of the Zapatistas, and other indigenous rebel groups in Southern Mexico, by displacing the indigenous people, who make up their base of support. But although the PPP is an attempt to quash the resistance that NAFTA sparked, it will no doubt provoke new groundswells of opposition as well—resistance already encapsulated in the words of Subcommandante Marcos of the Zapatistas: “The isthmus is not for sale!” [5]

The War on Terrorism



Taliban prisoner of US soldiers in northern Afghanistan

After the suicide attacks of September 11, the US government declared a "War on Terrorism." Fighting Bush's war is one of the G8's priorities during the Kanamaskis summit. According to George W. Bush, "The new enemy seeks to destroy our freedom and impose its views. We value life; the terrorists ruthlessly destroy it." [1]

This is an inaccurate description of the motives behind the "War on Terrorism." Before the attacks on the World Trade Center, the US government had no particular problem with the brutality of the Taliban regime in Afghanistan. The predecessors of the Taliban were heavily funded by the CIA to fight the Russians during the 80s, and received aid from the US government after they took power. Immediately after they took Kabul in 1996, Taliban leaders flew to Texas to meet with executives of the oil company Unocal, for whom Afghanistan's geographical location is key and highly coveted. If US corporations are to control the vast oil and natural gas reserves in the Caspian Basin, a pipeline must be built through

the country's economy had to be directed toward exports, so that it could generate enough money to service its debt. The country also had to open its markets, attempt to attract investment and encourage free trade. None of these things were optional; they were—and still are—the conditions for getting new loans. If a poor country fails to adhere to the IMF's dictates, it can be blacklisted and have its economy ruined. In this way, debt acts both as a way of making profit from poor countries, since they end up paying back much more than they ever borrowed originally, and as a way of controlling them.

For the people of indebted countries, structural adjustment is devastating. In Tanzania, where 40% of people die before the age of 35, national spending on debt repayment is 6 times higher than spending on healthcare. [4] In the entire continent of Africa, 4 times more money is spent on debt repayment than on healthcare. Since the IMF started managing the economies of the region, the total external debt of Africa has increased by 400%. [5]

In response to growing opposition to the mounting debts of many Southern countries, and the corollary increase in poverty, the World Bank and IMF have granted some minor debt relief. In 1996, in coordination with the G8 countries, they launched the Initiative for Heavily Indebted Poor Countries (HIPC), which is an attempt to reduce debt to sustainable levels. Under the HIPC initiative, countries that

demonstration against the IMF and World Bank in Prague



are classified as poor and that have huge foreign debts are eligible to have a certain portion of their bilateral and multilateral debt cancelled. The amount of debt relief, however, is rarely enough to make a difference. When the G8 met in Cologne, Germany for example, it announced that member countries would forgive \$45 billion dollars in debts owed to them by Heavily Indebted Poor Countries. At the time, however, total HIPC debt was \$207 billion. Of that \$207 billion, the countries were only actually making the interest payments on \$100 billion. That means that the creditors had basically already admitted that the other \$107 billion was gone. [6]

The HIPC Initiative,

Sustaining the Debt



World Bank President, James Wolfensohn (left) and former Managing Director of the IMF Michel Camdessus (right)

Rich countries have lent poor countries billions of dollars. Some of this debt was lent by one country to another directly (bilateral debt) and some of it was lent by international financial institutions to a country (multilateral debt). These institutions, exemplified by the International Monetary Fund (IMF) and the World Bank (WB), are controlled by the rich countries. Governments pay into them to create a pool of money that can be lent out, and then get to vote on the institutions' policy based on how much they pay in. The G8 countries have over 45% of the vote in the World Bank and over 48% in the IMF. The United States, with about 17% of the vote in both, is the only country with an effective veto, since important IMF and World Bank decisions require an 85% majority to pass. [1]

Poor countries were originally given loans to fund a variety of development projects (roads, dams, etc) or to keep them on the right side of the Cold War. As time went on, and the interest rates on the loans went up, the size of the debt grew dramatically. The total debt of all poor countries was \$100 billion in 1970. It was \$600 billion in 1980. In 1990 it was \$1600 billion, and by 2000 it was nearly \$3000 billion (\$3 trillion). [2][3] Eventually countries could not even make the interest payments on the loans, and were forced to take out more loans to cover their the payments.

These loans, provided mainly by the IMF, came with conditions. In order to receive this money, the country had to undergo a Structural Adjustment Program (SAP). Government spending on things like healthcare, education and food/housing subsidies had to be cut, in order to free up more money to pay off the debt. More of

Afghanistan to pump the oil south. Unilocal has had plans to build such a pipeline since 1995, but they require a single stable government in Afghanistan. [2][3][4] This is what the Taliban was not. The bombing of Afghanistan advances the interests of big US oil companies, although not those of the people of Afghanistan. Between October 7 and December 6, 2001, US bombing in Afghanistan killed approximately 3767 civilians, and created thousands of refugees. [5]

But the "War on Terrorism" extends beyond the bombing of Afghanistan. Capitalist globalization continues to create poverty and inequality. Countries and groups that the US has had a grudge against for years can now be labeled "terrorists," giving states all over the world an excuse to increase their military and police forces in order to control the growing number of people in poverty. Racism and anti-immigrant sentiment, especially in privileged countries, has been exacerbated as a result of this war, and it is being used to justify draconian immigration legislation, rushed deportation of *sans papiers* and the heightened militarization of borders.



UN High Commissioner for Refugees Raud Lubbers visits an Afghan family in refugee camp

State Terrorism

NO BASES MILITARIES YANKIS

Honduras

The recent history of Central America demonstrates how state terrorism is used in the service of capitalism. All the governments of Central America have agreed to the Plan Puebla-Panama and construction is underway. This agreement, however, was not reached through peaceful dialogue. It was made possible by of a long history of imperialist intervention. In the 70s and 80s especially, there were massive military campaigns that crushed progressive political movements throughout Central America. In Nicaragua, a revolution in 1979 left the government in the hands of socialists. A huge paramilitary force, trained and equipped by the United States, eventually succeeded in undermining the government, leaving more than 30,000 people dead. When the International Court of Justice found the US guilty of illegally mining the harbors of Nicaragua and ordered that they pay reparations, President Reagan simply announced that he would not respect the decision. In El Salvador, a series of brutal governments, backed by the US, attempted to get rid of the influence of socialist guerrillas by killing the indigenous people who formed their base of support. 75,000 civilians died in El Salvador's civil war [1]. In Guatemala, a US-backed genocide of the indigenous people for similar ends, left 200,000 people dead. [2] The situation in Central America today, in which the governments have all acquiesced to the neo-liberal agenda only exists because there was a massive slaughter and intimidation of people who opposed it. Military force was used to clear the way for capitalist development.

Where Plan Puebla-Panama ends, Plan Colombia begins. "Plan Colombia" was an initiative of President Clinton's, through which hundreds of millions of dollars of military aid was given to the Colombian government, allegedly to fight the

"War on Drugs". This was, of course, not the real purpose of the aid. Multinational corporations have been trying to get their hands on the natural resources (especially the oil) of Colombia and Venezuela for years. The problem has been that there are two rather large guerrilla movements in Colombia that have demonstrated some resistance, and attacked the operations of multinational corporations in the area. As a former professor at the US Army's War College writes, "In U.S. government circles,

where counter-narcotics aid is widely viewed as a way to

combat the insurgency through the back door, the

calculation is that if we were candid about what

we were doing the political opposition would

be so great that U.S. aid to Colombia would

be greatly reduced, setting back the wars

against both the narcos and the guerrillas."

[3] The US government is, in other words,

sending massive amounts of military aid to

the Colombian government in order to protect

the interests of the multinationals, and to

clear the way for capitalist development, by

killing off the guerrillas, and destroying the crops

of the poor coca farmers who (might) support

them. The fact that money and weapons given to the

Colombian government consistently find their way into the

hands of murderous right-wing paramilitaries does not phase the US government.

As US Vice President Dick Cheney once wrote in an oil industry newsletter, "The

good Lord didn't see fit to always put oil and gas resources where there are democratic governments." [4]

In 2001, Plan Colombia was replaced by the Andean Initiative, which extends the build-up of police and military forces throughout all the countries in the region. [5] A pattern similar to the recent history of Central America is developing. Elites in rich countries are propping up elites in poorer countries in order to protect their investments and to create a climate that is good for business. In the process, thousands of poor people are killed, and millions more are terrorized into docility.

This close collaboration of capitalist development and state terrorism is not new. Capitalism has never been anything other than brutal. The establishment of capitalism as the dominant economic system over the past 500 years was only made possible by abundant supplies of cheap labour and cheap land and natural resources, that is to say, by the slave trade, and by the genocide of the native people's of the Americas. Today, the cheap labour necessary for capitalist development is created by forcing peasants off their land and into factories, by playing one workforce off against another, by exploiting migrant workers and by a whole other series of government programs designed to make people poor. But the empire is still defended and expanded through intimidation and brute force.



Ronald Reagan